
ENGROSSED SUBSTITUTE HOUSE BILL 2950

State of Washington

52nd Legislature

1992 Regular Session

By House Committee on Capital Facilities & Financing (originally sponsored by Representatives Rasmussen and H. Sommers; by request of Office of Financial Management)

Read first time 02/05/92.

1 AN ACT Relating to state general obligation bonds and related
2 accounts; amending RCW 43.99I.010, 43.99I.020, 43.99I.040, 43.84.092,
3 43.105.080, 90.50A.020, 43.160.080, and 43.168.110; adding new sections
4 to chapter 43.99I RCW; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 43.99I.010 and 1991 sp.s. c 31 s 1 are each amended to
7 read as follows:

8 The state finance committee is authorized to issue general
9 obligation bonds of the state of Washington in the sum of one billion
10 (~~ninety-five~~) two hundred eighty-four million dollars, or so much
11 thereof as may be required, to finance the projects described and
12 authorized by the legislature in the capital and operating
13 appropriations acts for the 1991-1993 fiscal biennium and subsequent
14 fiscal biennia, and all costs incidental thereto.

1 Bonds authorized in this section shall be sold in such manner, at
2 such time or times, in such amounts, and at such price as the state
3 finance committee shall determine. No such bonds may be offered for
4 sale without prior legislative appropriation of the net proceeds of the
5 sale of the bonds. The state finance committee may obtain insurance,
6 letters of credit, or other credit enhancements and may authorize the
7 execution and delivery of agreements, promissory notes, and other
8 obligations for the purpose of insuring the payment or enhancing the
9 marketability of bonds authorized in this section. Promissory notes or
10 other obligations issued pursuant to this section shall not constitute
11 a debt or the contracting of indebtedness under any constitutional or
12 statutory indebtedness limitation if their payment is conditioned upon
13 the failure of the state to pay the principal of or interest on the
14 bonds with respect to which the same relate.

15 The state finance committee shall consider the issuance of short-
16 term obligations in lieu of long-term obligations for the purposes of
17 more favorable interest rates, lower total interest costs, and
18 increased marketability and for the purpose of retiring the bonds
19 during the life of the project for which they were issued.

20 **Sec. 2.** RCW 43.99I.020 and 1991 sp.s. c 31 s 2 are each amended to
21 read as follows:

22 Bonds issued under RCW 43.99I.010 are subject to the following
23 conditions and limitations:

24 General obligation bonds of the state of Washington in the sum of
25 one billion (~~((ninety-five))~~) two hundred eighty-four million dollars, or
26 so much thereof as may be required, shall be issued for the purposes
27 described and authorized by the legislature in the capital and
28 operating appropriations acts for the 1991-93 fiscal biennium and
29 subsequent fiscal biennia, and to provide for the administrative cost

1 of such projects, including costs of bond issuance and retirement,
2 salaries and related costs of officials and employees of the state,
3 costs of insurance or credit enhancement agreements, and other expenses
4 incidental to the administration of capital projects. Subject to such
5 changes as may be required in the appropriations acts, the proceeds
6 from the sale of the bonds issued for the purposes of this subsection
7 shall be deposited in the state building construction account created
8 by RCW 43.83.020 and transferred as follows:

9 (1) Eight hundred thirty-five thousand dollars to the state higher
10 education construction account created by RCW 28B.10.851;

11 (2) Eight hundred (~~twenty-three~~) seventy-one million dollars to
12 the state building construction account created by RCW 43.83.020;

13 (3) Fifteen million dollars to the energy efficiency construction
14 account created by RCW 39.35C.100;

15 (4) Three million fifty thousand dollars to the energy efficiency
16 services account created by RCW 39.35C.110;

17 (5) (~~One hundred twenty~~) Two hundred fifty-five million five
18 hundred thousand dollars to the common school reimbursable construction
19 account hereby created in the state treasury;

20 (6) Ninety-eight million six hundred forty-eight thousand dollars
21 to the higher education reimbursable construction account hereby
22 created in the state treasury; (~~and~~)

23 (7) (~~Two million four hundred five thousand dollars to the~~
24 ~~wildlife reimbursable construction account hereby created in the state~~
25 ~~treasury~~) Three million two hundred eighty-four thousand dollars to
26 the data processing building construction account created in section 7
27 of this act; and

28 (8) Nine hundred thousand dollars to the Washington state dairy
29 products commission facility account created in section 8 of this act.

1 These proceeds shall be used exclusively for the purposes specified
2 in this subsection, and for the payment of expenses incurred in the
3 issuance and sale of the bonds issued for the purposes of this section,
4 and shall be administered by the office of financial management,
5 subject to legislative appropriation.

6 **Sec. 3.** RCW 43.99I.040 and 1991 sp.s. c 31 s 4 are each amended to
7 read as follows:

8 (1) On each date on which any interest or principal and interest
9 payment is due on bonds issued for the purposes of RCW 43.99I.020 (3)
10 and (4), the state treasurer shall transfer from the energy efficiency
11 construction account created in RCW 39.35C.100 to the general fund of
12 the state treasury the amount computed in RCW 43.99I.030 for the bonds
13 issued for the purposes of RCW 43.99I.020 (3) and (4).

14 (2) On each date on which any interest or principal and interest
15 payment is due on bonds issued for the purposes of RCW 43.99I.020(5),
16 the state treasurer shall transfer from property taxes in the state
17 general fund levied for this support of the common schools under RCW
18 84.52.065 to the general fund of the state treasury for unrestricted
19 use the amount computed in RCW 43.99I.030 for the bonds issued for the
20 purposes of RCW 43.99I.020(5).

21 (3) On each date on which any interest or principal and interest
22 payment is due on bonds issued for the purposes of RCW 43.99I.020(6),
23 the state treasurer shall transfer from higher education operating fees
24 deposited in the general fund to the general fund of the state treasury
25 for unrestricted use, or if chapter ..., Laws of 1992 (Senate Bill No.
26 6285) becomes law and changes the disposition of higher education
27 operating fees from the general fund to another account, the state
28 treasurer shall transfer the proportional share from the University of
29 Washington operating fees account, the Washington State University

1 operating fees account, and the Central Washington University operating
2 fees account the amount computed in RCW 43.99I.030 for the bonds issued
3 for the purposes of RCW 43.99I.020(~~(6)~~) (7).

4 ~~(4) ((On each date on which any interest or principal and interest~~
5 ~~payment is due on bonds issued for the purposes of RCW 43.99I.020(7),~~
6 ~~the state treasurer shall transfer from the state wildlife fund to the~~
7 ~~general fund of the state treasury the amount computed in RCW~~
8 ~~43.99I.030 for the bonds issued for the purpose of RCW 43.99I.020(7).))~~
9 On each date on which any interest or principal and interest payment is
10 due on bonds issued for the purposes of RCW 43.99I.020(7), the state
11 treasurer shall transfer from the data processing revolving account
12 created in RCW 43.105.080 to the general fund of the state treasury the
13 amount computed in RCW 43.99I.030 for the bonds issued for the purposes
14 of RCW 43.99I.020(7).

15 (5) On each date on which any interest or principal and interest
16 payment is due on bonds issued for the purpose of RCW 43.99I.020(8),
17 the Washington state dairy products commission shall cause the amount
18 computed in RCW 43.99I.030 for the bonds issued for the purposes of RCW
19 43.99I.020(8) to be paid out of the commission's general operating fund
20 to the state treasurer for deposit into the general fund of the state
21 treasury.

22 **Sec. 4.** RCW 43.84.092 and 1991 sp.s. c 13 s 57 are each amended to
23 read as follows:

24 (1) All earnings of investments of surplus balances in the state
25 treasury shall be deposited to the treasury income account, which
26 account is hereby established in the state treasury.

27 (2) Monthly, the state treasurer shall distribute the earnings
28 credited to the treasury income account. The state treasurer shall

1 credit the general fund with all the earnings credited to the treasury
2 income account except:

3 (a) The following accounts and funds shall receive their
4 proportionate share of earnings based upon each account's and fund's
5 average daily balance for the period: The capitol building
6 construction account, the Cedar River channel construction and
7 operation account, the Central Washington University capital projects
8 account, the charitable, educational, penal and reformatory
9 institutions account, the common school construction fund, the county
10 criminal justice assistance account, the county sales and use tax
11 equalization account, the data processing building construction
12 account, the deferred compensation administrative account, the deferred
13 compensation principal account, the department of retirement systems
14 expense account, the Eastern Washington University capital projects
15 account, the federal forest revolving account, the industrial insurance
16 premium refund account, the judges' retirement account, the judicial
17 retirement administrative account, the judicial retirement principal
18 account, the local leasehold excise tax account, the local sales and
19 use tax account, the medical aid account, the municipal criminal
20 justice assistance account, the municipal sales and use tax
21 equalization account, the natural resources deposit account, the
22 perpetual surveillance and maintenance account, the public employees'
23 retirement system plan I account, the public employees' retirement
24 system plan II account, the Puyallup tribal settlement account, the
25 resource management cost account, the site closure account, the special
26 wildlife account, the state employees' insurance account, the state
27 employees' insurance reserve account, the state investment board
28 expense account, the state investment board commingled trust fund
29 accounts, the supplemental pension account, the teachers' retirement
30 system plan I account, the teachers' retirement system plan II account,

1 the University of Washington bond retirement fund, the University of
2 Washington building account, the volunteer fire fighters' relief and
3 pension principal account, the volunteer fire fighters' relief and
4 pension administrative account, the Washington judicial retirement
5 system account, the Washington law enforcement officers' and fire
6 fighters' system plan I retirement account, the Washington law
7 enforcement officers' and fire fighters' system plan II retirement
8 account, the Washington state patrol retirement account, the Washington
9 State University building account, the Washington State University bond
10 retirement fund, and the Western Washington University capital projects
11 account. Earnings derived from investing balances of the agricultural
12 permanent fund, the normal school permanent fund, the permanent common
13 school fund, the scientific permanent fund, and the state university
14 permanent fund shall be allocated to their respective beneficiary
15 accounts. All earnings to be distributed under this subsection (2)(a)
16 shall first be reduced by the allocation to the state treasurer's
17 service (~~(account [fund])~~) fund pursuant to RCW 43.08.190.

18 (b) The following accounts and funds shall receive eighty percent
19 of their proportionate share of earnings based upon each account's or
20 fund's average daily balance for the period: The central Puget Sound
21 public transportation account, the city hardship assistance account,
22 the county arterial preservation account, the economic development
23 account, the essential rail assistance account, the essential rail
24 banking account, the ferry bond retirement fund, the grade crossing
25 protective fund, the high capacity transportation account, the highway
26 bond retirement fund, the highway construction stabilization account,
27 the highway safety account, the motor vehicle fund, the motorcycle
28 safety education account, the pilotage account, the public
29 transportation systems account, the Puget Sound capital construction
30 account, the Puget Sound ferry operations account, the recreational

1 vehicle account, the rural arterial trust account, the special category
2 C account, the state patrol highway account, the transfer relief
3 account, the transportation capital facilities account, the
4 transportation equipment fund, the transportation fund, the
5 transportation improvement account, and the urban arterial trust
6 account.

7 (3) In conformance with Article II, section 37 of the state
8 Constitution, no treasury accounts or funds shall be allocated earnings
9 without the specific affirmative directive of this section.

10 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.99I RCW
11 to read as follows:

12 The bonds authorized by RCW 43.99I.020(8) shall be issued only
13 after the director of financial management has (a) certified that,
14 based on the future income from assessments levied pursuant to chapter
15 15.44 RCW and other revenues collected by the Washington state dairy
16 products commission, an adequate balance will be maintained in the
17 commission's general operating fund to pay the interest or principal
18 and interest payments due under RCW 43.99I.040(4) for the life of the
19 bonds; and (b) approved the facility to be acquired using the bond
20 proceeds.

21 **Sec. 6.** RCW 43.105.080 and 1987 c 504 s 11 are each amended to
22 read as follows:

23 There is created a revolving fund to be known as the data
24 processing revolving fund in the custody of the state treasurer. The
25 revolving fund shall be used for the acquisition of equipment,
26 software, supplies, and services and the payment of salaries, wages,
27 and other costs incidental to the acquisition, development, operation,
28 and administration of information services, telecommunications,

1 systems, software, supplies and equipment, including the payment of
2 principal and interest on bonds issued for capital projects, by the
3 department, Washington State University's computer services center, the
4 department of personnel's personnel information systems division, the
5 office of financial management's financial systems management group,
6 and other users as jointly determined by the department and the office
7 of financial management. The revolving fund is subject to the
8 allotment procedure provided under chapter 43.88 RCW. Disbursements
9 from the revolving fund for the services component of the department
10 are not subject to appropriation. Disbursements for the planning
11 component of the department are subject to appropriation. All
12 disbursements from the fund are subject to the allotment procedures
13 provided under chapter 43.88 RCW. The department shall establish and
14 implement a billing structure to assure all agencies pay an equitable
15 share of the costs.

16 As used in this section, the word "supplies" shall not be
17 interpreted to delegate or abrogate the division of purchasing's
18 responsibilities and authority to purchase supplies as described in RCW
19 43.19.190 and 43.19.200.

20 NEW SECTION. Sec. 7. A new section is added to chapter 43.99I RCW
21 to read as follows:

22 The data processing building construction account is created in the
23 state treasury. Moneys in the account may be spent only after
24 appropriation. Expenditures from the account may be used only for
25 acquisition of land for and construction of a data processing building.

26 NEW SECTION. Sec. 8. A new section is added to chapter 43.99I RCW
27 to read as follows:

1 The Washington state dairy products commission facility account is
2 hereby created in the state treasury. Moneys in the account may be
3 spent only after appropriation. Expenditures from the account may be
4 used only for acquisition, renovation, or construction of a permanent
5 facility for the Washington state dairy products commission.

6 **Sec. 9.** RCW 90.50A.020 and 1991 sp.s. c 13 s 102 are each amended
7 to read as follows:

8 (1) The water pollution control revolving fund is hereby
9 established in the ~~((custody of the))~~ state ~~((treasurer))~~ treasury.
10 Moneys in this fund ~~((are not subject to))~~ may be spent only after
11 legislative appropriation. Moneys in the fund may be spent only in a
12 manner consistent with this chapter.

13 (2) The water pollution control revolving fund shall consist of:

14 (a) All capitalization grants provided by the federal government
15 under the federal water quality act of 1987;

16 (b) All state matching funds appropriated or authorized by the
17 legislature;

18 (c) Any other revenues derived from gifts or bequests pledged to
19 the state for the purpose of providing financial assistance for water
20 pollution control projects;

21 (d) All repayments of moneys borrowed from the fund;

22 (e) All interest payments made by borrowers from the fund;

23 (f) Any other fee or charge levied in conjunction with
24 administration of the fund; and

25 (g) Any new funds as a result of leveraging.

26 **Sec. 10.** RCW 43.160.080 and 1991 sp.s. c 13 s 115 are each amended
27 to read as follows:

1 There shall be a fund in the state treasury known as the public
2 facilities construction loan revolving account, which shall consist of
3 all moneys collected under this chapter, except moneys of the board
4 collected in connection with the issuance of industrial development
5 revenue bonds, and any moneys appropriated to it by law: PROVIDED,
6 That seventy-five percent of all principal and interest payments on
7 loans made with the proceeds deposited in the account under section
8 901, chapter 57, Laws of 1983 1st ex. sess. shall be deposited in the
9 general fund as reimbursement for debt service payments on the bonds
10 authorized in RCW 43.83.184. (~~The state treasurer shall be custodian~~
11 ~~of the revolving account.~~) Disbursements from the revolving account
12 shall be on authorization of the board. In order to maintain an
13 effective expenditure and revenue control, the public facilities
14 construction loan revolving account shall be subject in all respects to
15 chapter 43.88 RCW(~~, but no appropriation is required to permit~~
16 ~~expenditures and payment of obligations from the account~~)).

17 **Sec. 11.** RCW 43.168.110 and 1985 c 164 s 11 are each amended to
18 read as follows:

19 There is established the Washington state development loan fund
20 which shall be an account in the state treasury. All loan payments of
21 principal and interest which are transferred under RCW 43.168.050 shall
22 be deposited into the account. Moneys in the account may be spent
23 (~~without~~) only after legislative appropriation for loans under this
24 chapter. (~~However,~~) Any expenditures of these moneys shall conform
25 to federal law.

26 NEW SECTION. **Sec. 12.** This act is necessary for the immediate
27 preservation of the public peace, health, or safety, or support of the
28 state government and its existing public institutions, and shall take

1 effect immediately.